

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 90-126-C - ORDER NO. 90-793
AUGUST 21, 1990

IN RE: Application of National Tele-Sav, Inc.)	
for a Certificate of Public Convenience)	ORDER
and Necessity and Establishment of Rates)	GRANTING
and Charges.)	CERTIFICATION

On March 23, 1990, National Tele-Sav, Inc. (NTI) filed an Application with the Public Service Commission of South Carolina (the Commission) requesting a Certificate of Public Convenience and Necessity authorizing it to resell intrastate telecommunications services and to provide related operator-assisted telecommunications services to hotels, motels, business and residential customers, and customer-owned pay telephones. The Application was filed pursuant to S.C. Code Ann., §§58-9-280 and 58-9-520 (1976), as amended.

On April 16, 1990, the Commission's Executive Director instructed the Company to cause to be published a prepared Notice of Filing and Hearing once a week for two (2) consecutive weeks in newspapers of general circulation in affected areas. The Notice of Filing and Hearing indicated the nature of NTI's Application and advised all interested parties desiring to participate in the scheduled proceeding of the manner and time in which to file the appropriate pleadings. NTI furnished Affidavits demonstrating

that the Notice of Filing and Hearing had been duly published in accordance with the instructions of the Executive Director.

Thereafter, Petitions to Intervene were filed by Southern Bell Telephone and Telegraph Company (Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A public hearing relative to the matters asserted in NTI's Application was commenced on July 24, 1990 at 11:00 a.m. in the Commission's Hearing Room, the Honorable Marjorie Amos-Frazier presiding. William M. Bruner, Esquire, represented NTI; Harry M. Lightsey, III, Esquire, represented Southern Bell; and H. Clay Carruth, Staff Counsel, represented the Commission Staff.

NTI presented Mr. Stephen J. Ruffo, Vice President of NTI, to testify in support of its Application. Southern Bell presented Mr. C. L. Addis, Staff Manager-Regulatory Matters, to testify on its behalf. The Commission Staff did not present a witness for testimony. The Consumer Advocate did not appear.

Based on the information contained in NTI's Application, the testimony and exhibits of the witnesses, and the evidence of the entire record before the Commission, the Commission makes the following findings of fact and conclusions of law:

1. That NTI is a non-facilities based reseller of telecommunications services.
2. That NTI is a foreign corporation registered to do business in South Carolina.
3. That NTI has the financial resources to provide adequate telecommunications services to consumers in South Carolina.

4. That NTI has entered into agreements with interexchange carriers which have been certificated by the Commission to provide the telecommunications services for which authority is herein sought.

5. That NTI is capable of providing the telecommunications services as described in its Application and in the testimony of witness Ruffo.

6. That NTI should be required to provide "tent cards" to hotels and motels for placement next to guest telephones identifying it as the provider of operator assistance service for intrastate interLATA long distance calls; and, that NTI's operators should be required to "brand" all calls, identifying National Tele-Sav, Inc. as the carrier.

7. That NTI should be required to furnish pay telephone owners with a sticker or information piece to be affixed to telephones by which its service may be accessed identifying the operator service as being provided by National Tele-Sav, Inc. and indicating the rates charged for its service.

8. That NTI should be required to post its 0+ or 0- operator assistance charges or provide some means whereby users of NTI's services may obtain rate information upon request.

9. That the appropriate rate structure for NTI should include a maximum rate level for each tariff charge; and that for intrastate interLATA operator-assisted and calling card calls, NTI should be required to charge operator or calling card surcharges no higher than the intrastate charges then currently approved for

AT&T Communications, and that for the usage portion of either type call, NTI should be required to charge intrastate rates no higher than the intrastate rates charged by AT&T Communications at the time such call is completed.

10. That NTI should be allowed to incorporate in its tariff a charge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and customer-owned pay telephones if such charge is requested by the customer. If such charge is applied, it should be paid in its entirety to the customer of NTI.

11. That a rate structure incorporating a maximum rate level with flexibility for downward adjustment has been previously adopted by this Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C, on August 2, 1984.

12. That there is a need for resellers to timely adjust rates and charges to reflect the forces of economic competition; however, rate and tariff adjustments below the approved maximum level should not be accomplished without notice to the Commission and to the public. Therefore, to further the objectives expressed in Finding No. 9 herein, NTI should be required to incorporate provisions for filing of proposed rate changes and publication of notice of such changes two (2) weeks prior to the effective date of such changes, and affidavits of publication should be required to be filed with the Commission.

13. That any proposed increase in maximum rate level

reflected in the tariffs of NTI which would be applicable to the general body of subscribers would constitute a general ratemaking proceeding which should be treated in accordance with the notice and hearing provisions of S.C. Code Ann., §58-9-540 (Cum. Supp. 1989).

14. That NTI is subject to any applicable access charges pursuant to Commission Order No. 86-584, in which the Commission determined that the reseller should be treated similarly to facility-based carriers for access charge purposes.

15. That NTI is fit, willing and able to provide intrastate interLATA resold telecommunication services and related operator services, and that it is in the interest of the public to grant NTI a Certificate of Public Convenience and Necessity subject to the findings herein, and, more specifically, the finding that NTI should charge intrastate rates no higher than the intrastate rates approved for AT&T Communications for intrastate interLATA operator-assisted and calling card calls at the time any of such calls is made.

16. That NTI should be authorized to provide intrastate interLATA service through the resale of Wide Area Telecommunications Service (WATS), Message Telecommunication Service (MTS), Foreign Exchange Service (FX) and Private Line Service, or any other service authorized for resale and reflected as such in tariffs of facilities-based carriers certificated by this Commission.

17. That NTI should be required to file on a yearly basis

surveillance reports with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports should be as per Attachment A hereof.

18. That NTI should be required to block or switch to the local exchange carrier (LEC) all intraLATA calls which are attempted over its network; and, if NTI accidentally or incidentally completes any intraLATA calls, it should be required to compensate the local exchange carrier consistent with the provisions of our Order No. 86-793 issued in Docket No. 86-187-C.

19. That NTI should be allowed to bill only for intrastate calls completed on or after the date of this Order.

20. That NTI should be required to file tariffs reflective of the findings and provisions herein within thirty (30) days of the date of this Order.

IT IS THEREFORE ORDERED:

1. That the Application of National Tele-Sav, Inc. for a Certificate of Public Convenience and Necessity be, and hereby is, approved.

2. That NTI shall provide to pay telephone owners a sticker or information piece to be affixed to pay telephones by which its service may be accessed identifying the operator service as being provided by National Tele-Sav, Inc. and indicating rates charged for its service, and that NTI shall implement Finding No. 6 herein with respect to telephones in hotels and motels.

3. That NTI file tariffs reflecting its maximum rates in accordance with Finding No. 9 herein.

4. That NTI's rates and charges reflect the limitation contained in Finding No. 10 herein.

5. That NTI file tariffs and surveillance reports in accordance with the Findings herein within thirty (30) days of the date hereof.

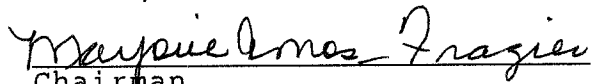
6. That NTI shall block or switch to the local exchange carrier (LEC) intraLATA calls, and compensate local exchange carriers (LEC's) consistent with the provisions of Commission Order No. 86-793, in accordance with Finding No. 18 herein.

7. That NTI is hereby authorized to provide intrastate interLATA service through the resale of Wide Area Telecommunications Service (WATS), Message Telecommunication Service (MTS), Foreign Exchange Service (FX) and Private Line Service, or any other service authorized for resale and reflected as such in tariffs of facilities-based carriers certificated by this Commission.

8. That NTI may commence operations beginning on the date of this Order.

9. That NTI shall only bill for intrastate calls completed on or after the date hereof.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director
(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT
PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT
AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE
INVESTMENT (SEE #3 ABOVE).